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A California Pioneer in Insurance

An interesting account of a business career has recently come into the possession of Baker Library. The Autobiography of Caspar Thomas Hopkins, a California pioneer, has been obtained by copying the original in the possession of one of his daughters, Mrs. Frank Hinckley. This story of his life was written in 1889, not for the public but for the edification of his daughters. It has therefore the special value of being a very frank record of his experiences and his achievements. The whole book is most interesting but here we are considering only his work in insurance. His youth will be touched on to give an idea of his early training.

In his own judgment no business man could have had a more unsuitable start in life. His father, John Henry Hopkins, was the Bishop of Vermont from 1832 until his death in 1868. Although he was a very able man he had no business sense. For example he allowed the estate of the Vermont Episcopal Institute, worth at least \$100,000, to be foreclosed for a fraction of the mortgage of \$10,000. It was at this school that Caspar Hopkins received a good training in languages, music, geography, and history, but poor instruction in arithmetic. At the age of twenty-one he was graduated from the University of Vermont unprepared to earn his living except as a farmer. He refused to comply with his father's demands that he become a minister and he was discouraged by an elder brother from becoming a lawyer. Later he felt that the legal profession was the one for which he was most suited.

For a year and a half he labored on a farm at Rock Point, Vermont, but because of the improvements he made, the place was more burdened by debt at the end of that time than before. For seven months he tried to publish a magazine for farmers, the *Vermont State Agriculturist*, which was a failure. In late 1848 he learned that many acquaintances were going to California in the gold rush, and he decided to go and make a fortune quickly. In New York he obtained \$1,200, half from an uncle with no conditions stated for its return; two wealthy merchants lent the other half under the condition that the amount should be paid back with interest, also one-third of the earnings of the first two years. Of this he sent \$300 back to his father and with the remainder he completed arrangements for the journey to California. He went by boat to Vera Cruz, overland by foot for about 200 miles to Mexico City, and on horseback for 700 miles to San Blas. There he boarded a small vessel to Mazatlan where he took another to San Francisco. On June 8, 1849, one hundred days from New York, he landed at his destination, without a cent of the borrowed money.

He writes of conditions in the booming gold city:

In the beginning of June, 1849, San Francisco was supposed to contain a population of about 2500 men, a few dozen women, and no children to speak of. Nearly all these lived in tents scattered over the few blocks then laid out, or on board ships. . . . The population, however, was augmenting by thousands every week, sometimes thousands in a day, by the arrivals of the Cape Horn fleet, and of vessels from Chili—Peru, Australia and the Sandwich Islands; also by the crowded steamers from Panama. The overland immigration soon added other thousands. There was no government to speak of, no society; the Churches were as yet in embryo, there were no schools or children to attend them. There were no fixed prices to any article, but all prices were frightfully high. Every one was working or trading and speculating. In fact it was chaos, a seething, burning chaos, in which education and ignorance, vice and virtue, crime, gambling, drunkenness, dissipation, and murder, trade, barter, all forms of illegal currency, energy, push, business, speculation, and every other conceivable element of character, institution, passion and thought, which in civilized communities are segregated and stratified in social order, were here thrown into the witches cauldron. . . . Whatever was the color of MY spirit, I found very little that I could mingle with. How could I, with the education I had received? I was as well calculated to win in that race as a cat to swim or a hog to skate. But I had not yet found it out!

In the first two years he tried all sorts of things with little

success. He made a map of San Francisco for \$250; worked in the gold mines, averaging \$7 a day; painted signs, often making \$25 a day; went into trade, losing overnight a capital of \$20,000 which he and a partner had acquired in four months. In the second year he tried to make money by chartering a schooner to get onions and sweet potatoes from Tumpez, Peru, and terrapins from the Galapagos Islands. Because the sweet potatoes were bruised in handling and rotted quickly under the excessive heat and very few terrapins could be obtained, the receipts for this venture were about half the expenses. He had estimated a profit of over 700 per cent of the expenses! Since he felt that the consignees had been to blame by giving him bad advice, he did not pay this debt, nor was payment demanded. It was the only debt that he ever left unpaid. A still more ambitious adventure was the forming of a company to explore Oregon. Although it acquired some sites in Umpqua City, Scottsburg, Elkton and Winchester, they were not settled in time to take advantage of the Act of Congress which granted a square mile to each settler. Also, Congress in the fall of 1850 passed an act forbidding speculation in these lands. So having no title to convey, the venture fell through. Now he was at the end of the two years in which he had intended to make \$100,000. He was several thousands in debt.

The next year started even less auspiciously. For four months he found nothing to do and became very discouraged. He tried the mines again with no more success. He worked at raising a wreck, and at salvaging a cargo. With the money from the latter he resolved to go back East in November, 1851. He was prevented from doing this by a cousin, Sheldon U. Hopkins, who secured a job for him in the customhouse. At this time his brother Clement offered him the job of correspondent on the *New York Courier and Enquirer*. With the money from these two jobs he paid off his debts and got married. His prosperity lasted only until December 30, 1854, when he was dismissed from the customhouse. Before leaving he copied out a list of all the vessels owned in San Francisco. This information he intended to use as a shipbroker. In four months he had but three commissions—netting him \$85, while his office rent was \$100 a month. Since at this time his infant daughter was ill, to help her recover he resolved to return to the East and sell his property. His family left first and he followed after his affairs had been settled up. He arrived in New York in the fall of 1855 only \$1,400 richer than when he had left in 1849.

Since his efforts to get some business in New York which would support his family were fruitless, he decided to go back to California. He writes:

So while I soon resolved to return to California, I set out to see if I could not take some business with me which would support me after I got there. In fact, I had thought of Insurance as my life work before I left for New York. There were only six Fire Insurance Companies and no Marine represented there when I left, and these were all English. I thought if I could get the agencies of a few American Companies with which to oppose the British monopoly, I could soon build up a comfortable income.

With maps of San Francisco and with introductions given him by his father-in-law, David Burnett, president of the Citizens Fire Company, he went to about a hundred insurance companies to solicit agencies but met with no success. Then he learned that Jonathan Hunt, an experienced New York merchant, had come from the Coast on the same errand. With the promise of a partnership he gave Hunt the maps, and with these the latter soon had the agencies of six first-class companies. Caspar Hopkins got one small company. In December he sailed back to San Francisco, but when he called on Hunt, he was informed that there was no partnership. At that he hired an office and advertised the companies. Fearing competition for his English company, Joshua Haven, a successful agent for the Liverpool & London, offered Hopkins a subagency in Sacramento and Marysville, provided that he would give up the American agencies. He agreed and accepted a commission of 10 per cent. For eighteen months he held that agency and earned about \$4,500. Since he knew nothing about the selling of insurance, he had to acquire his knowledge from reading the *Insurance Monitor* and a textbook on insurance law. Very suddenly in July, 1857, he was supplanted by another agent. His dismissal was caused by Haven's personal dislike.

For fourteen months after his return to San Francisco from Sacramento he found no regular employment but did various odd jobs. Among these was the making-out of deeds of settlement of a real-estate claim. In October, 1858, he was offered the position of broker for the firm of M'Lean & Fowler, which had agencies for three fire insurance companies, as well as one fire and marine company which later turned out to be a fraud. Since the firm was not a member of the Board of Underwriters, he was free to underbid the Board rates and to offer insurance on many more classes of risks than the others could. There being no other marine

agencies in California, he had no competition in getting this kind of insurance. M'Lean & Fowler offered him a 7.5 per cent commission at first. In the first month he made \$150, while the other two men did no business and had only \$50 between them. A partnership was then offered of one-third which was soon reduced to three-tenths, but no papers were signed. In the first month under this arrangement the premiums were \$5,000, as much as the others had collected in six months. The premiums were increased each month by his work until they were \$12,000 in March. The success of the firm went to Fowler's head; he went East to get more companies and to spend the firm's money. After an absence of eight months he returned with about a dozen companies, two of which were marine and which failed in a year or two. Soon Fowler made another trip East of six months to get more companies. On his return he felt that the success of the business was the result of his efforts and not of Caspar Hopkins' selling of insurance. Things were made so unpleasant that the latter withdrew; the company soon got into difficulties and failed in eighteen months.

For the next six months Hopkins had an interest in George Lambert's six companies and earned about \$150 a month. These were the agencies which Hunt had brought out earlier, but had given up to become a tax collector, and in which Hopkins was to have had a share.

For some time Caspar Hopkins had contemplated the formation of a local company. In 1856 in an article in the *Spirit of the Times* he had suggested a title insurance company. In 1856 and 1857 he had succeeded in getting sixteen capitalists interested in a fire company, but only two of them had faith enough in the enterprise to sign a stock subscription. While with M'Lean and Fowler, he had suggested to the latter a scheme for a fire and marine company on the Lloyd's plan; this was turned down. Next he attempted to get ten capitalists interested in each taking one-tenth of every marine risk written by their secretary. At last he tried to establish a stock marine company among lumbermen and ship-owners. Only \$40,000 was subscribed, but one of those interviewed, A. J. Pope, suggested that Hopkins wait until Dr. Samuel Merritt, a wealthy capitalist, returned from Europe. On his return Merritt fell in with the idea and promised that the company would be ready for business in three months. In the meantime Caspar Hopkins made a lithograph map of San Francisco, the first insurance map, for the Board of Fire Underwriters.

Hopkins tells of the company which he had planned:

At last, on a day in February, 1861 (the 14th, I think) the articles of incorporation of the "California Mutual Marine Insurance Company" were filed. The subscribed capital was \$200,000. in 20 shares of \$10,000. each; whereof \$1,000. was paid up, and notes were given for the remaining \$9,000. There were therefore just 20 stockholders; not one of them being worth less than \$100,000. and some of them \$1,000,000. or more. Their names were:—

W. C. TALBOT.	SAMUEL MERRITT.	A. J. POPE.
J. J. FELT.	D. C. M'RUER.	GEO. H. HOWARD.
H. F. TESCHEMACHER.	WM. NORRIS.	S. C. BIGELOW.
MICHAEL REESE.	LEVI STEVENS.	CHAS. MAIN.
H. B. TICHENOR.	JOHN G. BRAY.	JONAS G. CLARK.
JOSIAH BELDEN.	JOHN VAN BERGEN.	C. W. HATHAWAY.
JAMES FINDLA.	CALVIN PAIGE.	

DR. MERRITT was chosen PRESIDENT and I was elected secretary at \$200. per month, entirely by Merritt's influence, for nearly all the members were then strangers to me. We undertook to do a marine business only, as not being liable on the Pacific to wholesale disaster. Our money was carefully invested at the high rates of the period at one and a half to two per cent per month. We took a cheap office on the 2nd. floor of the corner of Battery and Commercial streets, and at once began a cautious and at first a slow business, mainly in our coasting trade.

The history of this company from 1861 to 1885 can be divided into two periods. The earlier one was from the start until 1871, when the Chicago fire was so disastrous to fire companies. In this period the company wrote mainly marine insurance. Its competition from local companies was great, and there were many fraudulent claims of losses at sea. In the latter period, from 1872 until Hopkins' resignation in 1885, the company did an increasing amount of fire insurance. Since many of the California companies were wiped out in the Chicago fire, its competition with local companies was less severe.

In March, 1861, two other insurance companies were formed. One was a Lloyd's, which in 1865 was reincorporated as the Union Insurance Company. This did only a marine business at first. The other was the San Francisco Fire Company, which was successful from the start but was dissolved after the resignation of its president in 1866. In 1863 six other insurance companies were formed. The Merchants Mutual Marine was the only one to do a marine business at first. The others were Home Mutual, Fireman's Fund, California Home, and Pacific. The last, under the presidency of Jonathan Hunt and with the backing of William C. Ralston, caused much trouble. Hopkins writes of them:

Hunt was a born gopher, always burrowing under ground and appearing under somebody's orange tree or potato patch when he was least expected and where his mischief was done before he was discovered. The entire history of that Co. covering 9 years was colored by trickery and fraud. Its object, a perfectly wild one, was the complete monopoly of the business, out of which it proposed to drive both locals and foreigners, everybody but itself. It had a brilliant career for a time, but went down in the Chicago Fire of 1871 paying its \$3,200,000. of losses at the rate of 50 cents of the dollar! and of course losing its entire assets.

By 1867 other companies were formed: Occidental, Builders, Peoples, National, and California Farmers. The Builders was a wild cat which did not pass the insurance commissioner's examination. The National and the California Home lasted only a few years. No other companies were formed until after 1871.

For the first eighteen months Dr. Merritt acted as president of the California Mutual Marine Insurance Company. For the next three years D. C. M'Rue was president. From the beginning Caspar Hopkins was the manager in fact if not in title. For a year Albert Miller was president, the first one to devote his time wholly to the business, with a salary of \$6,000. When his health broke down and he resigned, Caspar Hopkins succeeded him on August 1, 1866. As secretary Zenas Crowell, a clerk in the company's office, was appointed.

One of the first things that Caspar Hopkins did was to call a convention of underwriters and shipbuilders in 1863. In a week they formulated rules and customs for the adjustment of marine losses which brought order out of chaos. In 1864 the company was reincorporated, its name changed to California Insurance Company, its business extended to fire, and its paid-in capital increased to \$200,000, of which \$40,000 was contributed by stockholders and the rest came from earnings. In 1866 the company started to pay dividends, a practice which was kept up with few exceptions during his presidency.

In 1862, according to the First Annual Report of the Insurance Commissioner, a law had been passed in California which required a deposit in the State of \$75,000 by all insurance companies not incorporated under its laws. This drove out over thirty and left about a dozen. Hopkins said that similar laws were passed in Oregon and Nevada. The Pacific with its capital of \$1,000,000 was able to make these deposits and had therefore a monopoly in these two States. It tried to establish agencies in the East, but

there the States passed retaliatory laws and the Pacific could not make a deposit in all of them. At this time Caspar Hopkins was writing two insurance bills, one creating the office of insurance commissioner and the other regulating the formation of future local companies and the admission of foreign companies. With a clause attached to the latter repealing the deposit law, Hunt and Ralston bribed the legislature to pass them in 1868. As a result of this, many companies established agencies in the East and many eastern companies came back to California. Caspar Hopkins, believing that the risks involved were too great for his company, refused to consider the idea of expanding in the East. The company, did, however, have a marine agency there for a while; but this was done in his absence and proved his contention, for \$80,000 was required to pay losses and dividends were stopped for 20 months. In 1869 the California changed its plan of distributing profits: policyholders were to get all the profits in the form of scrip, and the stockholders were to get only interest from the invested funds. As a result competitors cut their rates 10 per cent. In 1871 the old plan was reestablished without any difficulty.

In 1871 the Chicago fire occurred which was so disastrous to so many fire companies in the United States and abroad. Of the six California companies which had established agencies in Chicago, only the Fireman's Fund and the Union continued in business and they had to assess their stockholders heavily. The California Insurance Company did not lose a cent then or in the fire in Boston in 1872. In 1876 Hopkins again saved the company from heavy losses. Since premiums were high in Virginia City, Nevada, he went there to investigate. He became convinced that there was not an honest man there and that there was grave danger of a conflagration. He ordered all the policies canceled; since Crowell did not carry out his order completely, however, the company did lose \$17,000 when a fire broke out in November. The losses might have been \$260,000.

In 1882 L. L. Bromwell, an able young man who had joined the company in 1878 and who had succeeded to the secretaryship upon the death of Crowell, persuaded the directors to establish an eastern branch. He appointed a relative of his, E. L. Ireton, a man of intemperate habits, to be the eastern manager. Soon the business there equaled that on the Coast, but the losses became greater than the premiums. In 1885 conditions were so bad that Caspar Hopkins was authorized to overhaul this branch. He closed

900 agencies and retained 108 in the larger cities. He reinsured \$6,000,000 in the Phoenix and informed Ireton that his contract would not be renewed in 1886.

In 1885 Caspar Hopkins, afflicted by poor health, tendered his resignation from the presidency of the California Insurance Company and from all other offices and memberships. As an expression of appreciation for all that he had accomplished for insurance, a public collation was given in his honor on July 31, 1885, the twentieth anniversary of his election to the secretaryship of the Board of Marine Underwriters. A service of silver plate was given him and his portrait was to be hung on the Board walls. Sets of resolutions, acknowledging his achievements, were passed.

If we examine a copy of the financial condition of Hopkins' company during his connection with it, we can judge somewhat the success of its policies. The assets grew from \$44,009 in 1861 to \$309,296 in 1868 and the premium receipts from \$46,748.94 to \$139,490.54. The figures for other fire and marine companies in the *First Annual Report of the Insurance Commissioner* show that this company was the smallest in assets and the fifth largest in premiums of the eight California companies reporting in 1868. Expense figures show that this company's expenses were the lowest of all the companies doing business in California—they were 15.62 per cent of income. The highest was 35.94 per cent, for the North American. For the first six years of his presidency Hopkins said that the interest received was nearly 100 per cent of the average assets or on the average about 16 per cent a year. This is the more amazing when we consider the unsettled conditions in California. In 1883 according to a later report the California was the third largest in assets and premiums of the California fire and marine companies. At the end of 1937 the company was still alive, with assets of \$5,284,212 and net premiums in force of \$3,859,527.

During these years (1861 to 1885) Caspar Hopkins did not devote his attention entirely to the promotion of his business. He was interested in many other activities as, for example, attempts to break the railroad monopoly. Of these we can touch upon only a few which were connected with fire and marine insurance. For twenty years he was secretary of the Board of Marine Underwriters and was a very active member of the Chamber of Commerce of San Francisco. He wrote many articles and made many speeches for these two organizations, which were influential in bettering conditions. He tried to change the law on the liability

of stockholders for losses, the strictness of which prevented many from starting companies; this effort was a failure. In 1879 he tried to protect companies from the embezzlement of officers and employees by organizing a surety company, and six years later one was formed of which he was a director. In 1880, thinking that federal regulation of insurance would be better than the regulations of forty-eight different States, he wrote a paper on this subject for the National Convention of Fire Underwriters. The idea was not favorably received. Apparently he was not aware that Elizur Wright, the prominent insurance commissioner of Massachusetts, had also tried earlier and without success to put this idea across.

Caspar Hopkins claims to have done much to improve maritime conditions on the Coast. For eighteen years he compiled and published weekly a record of all marine losses. Correspondence with the Light House Department in 1866 resulted in the erection of two much-needed lighthouses. He wrote several articles on ship-building, which were influential in improving the construction of ships. He drafted several amendments to the Civil Code on Marine Insurance which were adopted. He also prepared some reports on the revival of American shipping, parts of which were incorporated in federal law. He gave many lectures to the pupils of the Nautical School. He wrote a pamphlet, *Suggestions to Masters*, which the Board of Marine Underwriters distributed free by thousands. In 1874 he tried to break the pilotage and tugboat monopolies which were handicapping shipping by their excessive rates. A rival tugboat company was formed which drove out the earlier one.

A major accomplishment was the framing of a compact for the fire insurance companies of Portland, Oregon, where conditions were chaotic. (For two years he worked on this as chairman of a committee.) This agreement proved so successful that it was proposed that a similar one be made for the whole Pacific coast—a more difficult project, but completed in 1885. It was accepted by the companies and was called the Pacific Insurance Union.

From the concluding paragraph of his obituary in the *Coast Review* in November, 1893, we can get some idea of what contemporaries thought of him:

Mr. Hopkins was a man of massive frame, and his mind and character were in harmony therewith. He was a broad, liberal man, with penetrating intellect and an active, tireless brain. He was studious, original, thorough, with so quick a grasp of every problem

that he was impatient of the slower reasoning processes of less gifted men. A man who is thus equipped mentally is always ahead of his time, and can only be properly appreciated by kindred spirits.

In so brief a summary one can give only an inadequate idea of the content and quality of Hopkins' autobiography. The story is packed with facts about the development of business on the Coast, largely of the kind that are not recorded in more formal and less personal records. Here the business man is seen at work, eagerly, almost frantically, seeking profit in an unstable and chaotic situation. Here are seen plans and schemes, honesty and dishonesty, success and failure. The picture is painted with the high color of strong feeling and subjective vision. Though such material must be used with care, it should be treasured for its quality of reality. Without that quality business history is at best lifeless and unreal.

EVELYN H. PUFFER,
Harvard University.

Business and Capitalism

During the month of June the Society will send to its members *Business and Capitalism* by Professor N. S. B. Gras. The Society is most fortunate in being able to make this presentation, for the volume is of timely significance and genuine originality. Those who have read it are convinced that it will constitute an important landmark in the literature of business and economic history. It fills a long-felt need for a broad and realistic frame of reference for modern business enterprise. Rejecting the Marxian theory of capitalism as a phase of economic development which must yield to triumphant Socialism, Gras develops a challenging thesis:

A study of the history of capitalism shows that major struggles do not occur between capitalism and some other order of society but between two rival forms of capitalism. If any social group wishes to win in the social-economic contest, it must teach itself how to use capital and how to make capital flow in its direction. One group of capitalists may win over another and the victory may be progressive or retrogressive, but some form of capitalism will remain triumphant.

Original in concept and treatment, this book has as its object to explain the basic structure, policies, and services of business in its various stages. Its critical analysis of the growth, the functions, and the interaction of various types of capitalism should give a more nearly true perspective on business of today.

A Century of Banking in Milwaukee

The month of May, just passed, marked the hundredth anniversary of the oldest chartered bank in the State of Wisconsin. The Marine National Exchange Bank of Milwaukee is the result of the merging in 1930 of two pioneer institutions, the National Exchange Bank which was first chartered by Wisconsin in 1855 and the Marine National Bank, chartered under the National Banking Act in 1900, under the free banking act of Wisconsin in 1853, and originally chartered by the legislature of Wisconsin Territory as the Wisconsin Marine and Fire Insurance Co. in 1839.

The early history of the Bank is as unique as it is remarkable. It is in large part the story of the work of two men who played an important part in the economic development of Chicago and Milwaukee and of the hinterland of the two cities. Those men were George Smith and Alexander Mitchell.

George Smith was the founder of the Bank. He had come to Chicago from Aberdeen, Scotland, in 1834. With a small inheritance as his capital he bought land in the booming village, which had been incorporated only the previous year. It is said that he sold the land at a good profit only a short time before the slump which preceded the devastating panic of 1837. Impressed with the possibilities of the region, Smith returned to Scotland where he organized the Scottish Illinois Land Investment Co.

Smith's notable work was in banking. In 1837 the firm of Strachan & Scott established the first private bank in Chicago, and Smith is said to have been in all probability the sponsor of the firm.¹ Since the Illinois Constitution provided that there should "be no other banks or monied institutions in this state than those already provided by law except a state bank and its branches," it was impossible to secure a charter for a bank, and private bankers could not issue notes. Familiar with the success of the Chicago Marine and Fire Insurance Co.—which was forbidden by its charter to do banking but was allowed to receive money on deposit and on that foundation had built a regular banking business, Smith decided to establish a similar institution in Wisconsin.

¹See Don M. Dailey, "Smith and Scammon: Early Chicago Bankers," *Bulletin of the Business Historical Society*, vol. xi (1937), pp. 11-18.



ALEXANDER MITCHELL

A charter was obtained for the Wisconsin Marine and Fire Insurance Co. in February, 1839. The Company was enjoined from doing banking, but like its Chicago model it was permitted to receive money on deposit and to make loans. By what was virtually a subterfuge Smith, like the earlier organizers of the Manhattan Co. and the New York Chemical Manufacturing Co., out of which grew the Bank of the Manhattan Co. and the Chemical National Bank of New York, got a way of carrying on banking.

The office of the Wisconsin Marine and Fire Insurance Co. was opened in Milwaukee in May, 1839. Its manager was Alexander Mitchell, whom Smith had invited to come from Scotland to head the bank. Though this 22-year-old son of an Aberdeenshire farmer probably had had no experience in banking, he was to have a striking career as a banker.

The currency issued by the Wisconsin bank was virtually bankers' notes. The first "certificate" bears the statement "that Strachan and Scott have deposited with this Institution three dollars which will be paid on demand to their order thereon." Within a short time Smith arranged with the Chicago firm to move to New York, where they became his correspondents, and he set up his own banking house in Chicago. The greater part of the certificates of the Wisconsin Marine and Fire Insurance Co. were made out to the cashier of Smith's Chicago house. Besides the New York connection, agencies for the redemption of "Smith's money" were established in Galena (Illinois), St. Louis, Cincinnati, and Detroit.

The debacle in banking which followed the mania for internal improvements in the late 1830's and early 1840's almost destroyed the chartered banks in the Chicago-Milwaukee region. In the nearly complete absence of legal bank currency, other paper that was sound had to serve; and the currency of the Wisconsin Marine and Fire Insurance Co. virtually became the standard currency of the region. It passed current because it was always promptly redeemed on presentation. It increased in amount until a total of a million was reached in 1849 and a high point of a million and a half in 1852.

The Wisconsin Marine and Fire Insurance Co. met powerful opposition. Attempts were made to have its charter withdrawn on the ground that the company was carrying on business which it was specifically forbidden to do. Bankers and brokers are said deliberately to have started runs against it. That the company

kept the confidence of its customers is remarkable when one considers that the business had no actual basis but the integrity of the two Scotsmen.

In 1853 the company received a charter under the free banking act of Wisconsin which had been passed in 1852. It became the Wisconsin Marine and Fire Insurance Co. Bank, and as such it operated until 1900. On the retirement of Smith in the middle 'fifties Mitchell became the head of the Bank. He became Wisconsin's outstanding banker, and his Bank continued to occupy a strong position in the growing business of Milwaukee and its great hinterland.

In 1865 Mitchell took on another task, no less difficult than banking in the unstable 'forties had been and one in which he was no less successful. When the Milwaukee Railroad was in trouble in the middle 1860's, he took the struggling enterprise in hand. Under his guidance as president from 1865 to 1887 the road grew to be one of the largest systems in the country and became a notably successful and well-managed railroad.

For its long and successful career the Marine National Exchange Bank of Milwaukee is to be congratulated. It would be interesting and no doubt enlightening to know how it has been able to survive the many dangers of its long life and to know what work it has done in the banking of its territory. That thought points to the value of a detailed study of the administration of the Bank and of the business careers of the men who guided it throughout its hundred years.

